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**Technology, Energy &  
Communications Committee**

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**HB 1029**

**Brief Description:** Defining E85 motor fuel.

**Sponsors:** Representatives B. Sullivan, Linville and Morris.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Provides a definition for E85 motor fuel.</li></ul>
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**Hearing Date:** 1/17/07

**Staff:** Scott Richards (786-7156).

**Background:**

**Ethanol**

Ethanol may be produced from a variety of feedstocks such as corn, wheat, barley, potatoes, sugarcane and the cellulose of plants such as switchgrass, straw and trees. In the United States the majority of ethanol is made from corn. The most common blends are:

- E10 - 10 percent ethanol and 90 percent unleaded gasoline

E10 is approved for use in any make or model of vehicle sold in the U.S. In 2004, about one-third of America's gasoline was blended with ethanol, most in this 10 percent variety.

- E85 - 85 percent ethanol and 15 percent unleaded gasoline

Vehicles must be specially designed to run on E85 and use of the fuel blend is approved for Flexible Fuel Vehicles (FFVs) only. The FFVs are designed to run on E85, gasoline, or any blend of the two. There are more than four million FFVs on the road in the United States.

**Season Adjustments of E85 Blend**

The E85 blend is seasonally adjusted to ensure proper starting and performance in different geographic locations. During winter, higher percentages of gasoline is added to E85 to ensure

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that vehicles are able to start at cold temperatures. According the American Society of Testing and Materials Standard Specification for Fuel Ethanol for Automotive Spark-Ignition Engines (ASTM D5798-99), E85 sold during colder months may contain 70 percent ethanol and 30 percent petroleum to produce the necessary vapor pressure for starting in cold temperatures.

### **Motor Fuel Quality Act**

The Motor Fuel Quality Act (Act) provides for the establishment of quality specifications for all liquid motor fuels, except aviation fuel, marine fuel, and liquefied petroleum gases, and establishes a sampling, testing, and enforcement program. The term motor fuel means any liquid product used for the generation of power in an internal combustion engine used for the propulsion of a motor vehicle upon the highways of this state.

The Act contains no definition for E85 motor fuel.

### **Tax Exemptions and Preferential Tax Rates for Biofuels**

Washington law makes available tax exemptions or preferential tax rates to promote motor fuels containing 85 percent ethanol. However, state law does not use a consistent definition for motor fuels containing 85 percent ethanol.

### **Summary of Bill:**

The Motor Fuel Quality Act is amended to include a definition for E85 motor fuel.

The Business and Occupation Tax Deduction for Sale of Alternative Fuel is amended to replace the definition of alcohol fuel with a definition for E85 motor fuel.

The Retail Sales Tax Exemption for Distribution of Alcohol Fuels is amended to replace the definition of alcohol fuel blend with a definition for E85 motor fuel.

### **E85 Definition**

E85 motor fuel is defined as an alternative fuel that is a blend of denatured ethanol and hydrocarbon that typically contains 85 percent ethanol by volume, but at a minimum must contain 70 percent ethanol by volume, and complies with ASTM specification D5798-99.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.